

# Social Security Payments To Rise 2.1%

By Tania Padgett

October 17, 2003

If you're on Social Security, you're getting a raise next year. Just don't spend it all in one place.



The Social Security Administration said yesterday 51 million beneficiaries will get 2.1 percent more in their checks starting January. In dollars, that's an extra \$19 a month on average.

The average monthly benefit for Social Security recipients will rise to \$922 from \$903. For the average couple, the monthly check will rise to \$1,523 from \$1,492.

But many recipients won't keep it for long, because much of the gain will be wiped out by a 13.5 percent boost in Medicare premiums announced the day before that will also take effect next year. The hike -- the third largest in the history of the program -- will lift Medicare premiums \$7.90 to \$66.60 a month.

"I mean give me a break," said Estelle Druian, who was fuming in her home in Brentwood. "That 2.1 percent raise is ridiculous. These politicians, they give with one hand and they take it away with another."

"I suppose it's something," said Merl Bloom, a Manhattan resident who said he is in his 70s. "But the increases in Medicare don't make it so meaningful." Some experts agree the boost will mean little to senior citizens who are already saddled with skyrocketing property taxes and health care costs.

"It's not going to make much of a dent," said Ian Weinberg, a Jericho-based financial planner, president of Family Wealth and Pension Management. "Seniors who don't have a secure nest eggs are definitely at a disadvantage and probably will be forced off of the Island."

What's more, seniors on Long Island are in a worse condition than their New York City peers because of rapidly rising premiums for Medicare HMOs. New York City residents get the same similar benefits for free.

Still, some experts say seniors should not be so critical of the 2.1 increase.

"The increase in the cost-of-living adjustment is still much better than the return that most beneficiaries get from their bank accounts and investments," said Evelyn Morton, national coordinator for economic issues for AARP in D.C.

The largest annual increase in Social Security was 14.3 percent in 1980; many of the increases, however, have remained under 3 percent, except for the 3.5 percent in 2001, according to statistics from the Social Security Administration.

Social Security and Supplemental Security Income benefits increase automatically each year based on the rise of the Consumer Price Index.

Some senior citizens object to the formula, arguing it does not accurately monitor the rising costs that are specific to senior citizens, such as medical care. Rep. Steve Israel (D-Huntington) has sponsored a bill that would require the Social Security agency to use an index that better reflects the senior citizens' cost of living.

*Copyright © 2003, Newsday, Inc.*